

105TH CONGRESS
1ST SESSION

H. R. 1816

To amend the Internal Revenue Code of 1986 to allow individuals a credit against income tax for tuition and related expenses for public and non-public elementary and secondary education.

IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 1997

Mr. PAUL introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow individuals a credit against income tax for tuition and related expenses for public and nonpublic elementary and secondary education.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Family Education
5 Freedom Act of 1997”.

1 **SEC. 2. CREDIT FOR TUITION AND RELATED EXPENSES**
2 **FOR PUBLIC AND NONPUBLIC ELEMENTARY**
3 **AND SECONDARY EDUCATION.**

4 (a) **IN GENERAL.**—Subpart A of part IV of sub-
5 chapter A of chapter 1 of the Internal Revenue Code of
6 1986 (relating to nonrefundable personal credits) is
7 amended by inserting after section 23 the following new
8 section:

9 **“SEC. 24. TUITION AND RELATED EXPENSES FOR PUBLIC**
10 **AND NONPUBLIC ELEMENTARY AND SECOND-**
11 **ARY EDUCATION.**

12 “(a) **ALLOWANCE OF CREDIT.**—In the case of an in-
13 dividual, there shall be allowed as a credit against the tax
14 imposed by this chapter for the taxable year an amount
15 equal to the qualified educational expenses paid during
16 such taxable year for the elementary or secondary edu-
17 cation of any dependent (as defined in section 152) of the
18 taxpayer at a qualified educational institution.

19 “(b) **LIMITATIONS.**—The credit allowed by this sec-
20 tion shall not exceed \$3,000 per student for any taxable
21 year.

22 “(c) **DEFINITIONS.**—For purposes of this section—

23 “(1) **QUALIFIED EDUCATIONAL EXPENSES.**—

24 The term ‘qualified educational expenses’ means cost
25 of attendance in connection with the elementary or
26 secondary education of the student at a qualified

1 educational institution. Under regulations prescribed
2 by the Secretary, rules similar to the rules relating
3 to cost of attendance (within the meaning of section
4 472 of the Higher Education Act of 1965 (20
5 U.S.C. 10871l) (as in effect on the date of the enact-
6 ment of this paragraph) shall apply for purposes of
7 the preceding sentence.

8 “(2) QUALIFIED EDUCATIONAL INSTITUTION.—

9 The term ‘qualified educational institution’ means
10 any educational institution (including any private,
11 parochial, religious, or home school) organized for
12 the purpose of providing elementary or secondary
13 education, or both.

14 “(d) ADJUSTMENTS FOR INFLATION.—

15 “(1) IN GENERAL.—In the case of any taxable
16 year beginning in a calendar year after 1997, the
17 dollar amount contained in subsection (b) shall be
18 increased by an amount equal to—

19 “(A) such dollar amount, multiplied by

20 “(B) the cost-of-living adjustment deter-
21 mined under section 1(f)(3) for the calendar
22 year in which the taxable year begins by sub-
23 stituting ‘calendar year 1996’ for ‘calendar year
24 1992’ in subparagraph (B) thereof.

1 “(2) ROUNDING.—If any increase determined
2 under paragraph (1) is not a multiple of \$10, such
3 increase shall be rounded to the next highest mul-
4 tiple of \$10.”

5 (b) CLERICAL AMENDMENT.—The table of sections
6 for such subpart A is amended by inserting after the item
7 relating to section 23 the following new item:

 “Sec. 24. Tuition and related expenses for public and nonpublic
 elementary and secondary education.”

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to amounts paid after the date of
10 the enactment of this Act in taxable years ending after
11 such date.

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